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BEFORE THE ARIZONA CORPORATION COMMISSION

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CARL J. KUNASEK
CHAIRMAN

JIM IRVIN
COMMISSIONER

WILLIAM A. MUNDELL
COMMISSIONER

JUN 23 1999

DOCKETED BY

SS

DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY FOR
APPROVAL OF ITS PLAN FOR STRANDED
COST RECOVERY.

DOCKET NO. E-01345A-98-0473

IN THE MATTER OF THE FILING OF ARIZONA
PUBLIC SERVICE COMPANY OF UNBUNDLED
TARIFFS PURSUANT TO A.A.C. R14-2-1061
ET. SEQ.

DOCKET NO. E-01345A-97-0773

IN THE MATTER OF COMPETITION IN THE
PROVISION OF ELECTRIC SERVICES
THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. RE-00000C-94-0165

PROCEDURAL ORDER

BY THE COMMISSION:

Our May 25, 1999 Procedural Order set the above-captioned matter for hearing commencing on July 14, 1999. On June 11, 1999, Enron Corp. ("Enron") filed a Motion to Amend Procedural Order to Establish Revised Procedural Dates ("Motion"). On June 11, 1999, PG&E Energy Services Corporation ("PG&E") filed Comments in Support of the Motion ("Comments"). On June 21, 1999, Arizona Public Service Company ("APS") filed its Response to the Motion.

In its Motion, Enron requested a 60 day delay in the procedural schedule set forth in our May 25, 1999 Procedural Order. According to Enron, the matter to be decided will have a profound effect upon the ability of new entrants to effectively enter and compete with the incumbent utility. Further, Enron asserted that additional time is needed to analyze and evaluate the proposed Settlement Agreement. Enron also noted that none of the Electric Service Providers have either signed the Settlement Agreement or expressed support for the same. While APS stated that "the Settlement Agreement contemplates Commission approval no later than August 1, 1999", Enron asserted that the Settlement Agreement gives any party the option to withdraw it such approval is not timely. Enron opined that no party would seriously consider withdrawing because of a 60 day extension.

PG&E supported the Motion. In addition, PG&E noted that the appointment of a new

1 Commissioner will in all likelihood require a "learning curve". Lastly, PG&E indicated that it was
2 still in favor of pressing ahead with the transition to competition but believes a slight "throttling
3 back" would be appropriate.

4 In its Response, APS opposed the Motion. APS acknowledged that while stranded costs and
5 unbundled tariffs are among the most contentious ongoing issues, the stranded cost analysis in the
6 Settlement Agreement was first filed with the Commission in August 1998. Although both the
7 Utilities Division Staff of the Commission and the Residential Utility Consumers Office submitted
8 data requests to APS in 1998, neither Enron nor PG&E availed themselves of that opportunity.

9 APS also noted that Enron was involved in "negotiating and drafting the Settlement and were
10 most ardent in their meticulous examination of every sentence of the Agreement and the substance of
11 every material provision." According to APS, Enron withdrew from settlement negotiations at the
12 eleventh hour without explanation. APS also noted that the procedural schedule at issue was very
13 similar to the procedural schedule set forth in the Commission's April 21, 1999 consolidated
14 Procedural Order addressing each Affected Utility's stranded costs and unbundled rates issues¹. APS
15 indicated that neither Enron nor PG&E expressed any concern regarding that schedule.

16 As to the August 1, 1999 Commission approval date, APS indicated a deadline is a common
17 provision in virtually every major settlement submitted to the Commission. APS also indicated that
18 Enron has not obtained a certificate at this time and should not be allowed to delay the resolution of
19 the Settlement.

20 While our May 25, 1999 Procedural Order was similar to the April 21, 1999 Procedural
21 Order², it did reduce the time for Intervenor and Staff to file testimony from 44 days to 39 days. As
22 a result we will modify the schedule set forth in our May 25, 1999 Procedural Order to provide for
23 the identical 44 days. Based on the above, our May 25, 1999 Procedural Order is modified as
24 follows:

25 IT IS THEREFORE ORDERED that all Intervenor/Staff shall file specific

26
27 ¹ The April 21 Procedural Order provided Intervenor 44 days to file responsive testimony while the May 25
Procedural Order provided 39 days.

28 ² The April 21 Procedural Order was based on suggested procedural dates with which the parties were generally in
agreement.

disagreements/testimony/comments regarding the Proposed Settlement by noon on June 30, 1999.

IT IS FURTHER ORDERED that Intervenors/Staff shall file no later than noon on June 30, 1999, a list of witnesses and subject area(s) to be covered at the hearing in this matter.

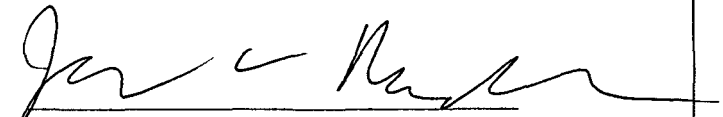
IT IS FURTHER ORDERED that APS, AAEC, RUCO and ACAA shall file any rebuttal testimony by noon on July 12, 1999.

IT IS FURTHER ORDERED that APS, AAEC, RUCO and ACAA shall file no later than noon on July 12, 1999, a list of witnesses and subject area(s) to be covered at the hearing on this matter.

IT IS FURTHER ORDERED that a pre-hearing conference shall be held on July 12, 1999 at 1:30 p.m. at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona, for the purpose of scheduling witnesses and the conduct of the hearing.

IT IS FURTHER ORDERED that all other dates, including the July 14, 1999 hearing date, remain the same.

DATED this 23rd day of June, 1999.


JERRY L. RUDIBAUGH
CHIEF HEARING OFFICER

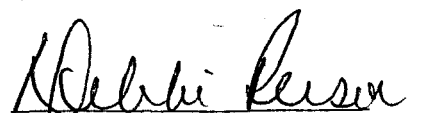
Copies of the foregoing mailed/delivered
this 23rd day of June, 1999 to:

Service list for RE-00000C-94-0165

Paul Bullis, Chief Counsel
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Phoenix, Arizona 85007

Director, Utilities Division
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By:


Debbi Person
Secretary to Jerry L. Rudibaugh